

Nevada Department of Agriculture

July 10, 2000

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Fuel Standards Environmental Coordination Committee Minutes

Date	April 25, 2000
Time	11:00 AM- 1:00 PM
Place	Reno International Airport, Conference Room C

TO:	
1	Ms. Teri Baltisberger, Nevada Department of Motor Vehicles & Public Safety
2	Jim Smitherman, Nevada Division of Environmental Protection
3	Mr. James Brandmueller, Transportation Projects Manager, Nevada Energy Office
4	Ed Hoganson, Nevada Department of Agriculture
5	Mike Eriksen, Nevada Propane Dealers Association
6	Dr. Jason Geddes, Chemist, Nevada Division of Agriculture
7	Mr. Andy Goodrich, Washoe County Health Department, Air Quality Management Division
8	Mr. Peter Krueger, AMS, Petroleum Industry, Propane Industry
9	Ms. Neena Laxalt, Propane Industry
10	Ms. Adele Malone, Nevada Department of Environmental Protection
11	Ms. Norma McCusker, Western Energetix

ITEMS TO BE DISCUSSED

1	Washoe county Proposed MTBE ban	x
2	Current status of Bill Drafts for 2001 Legislature	
3	Alternative Fuel Regulations	
4	New Items	
5	Next Meeting - July, 2000	

Meeting came to order at 11:05 a.m.

Jason Geddes was properly chastised for having a meeting over lunch that did not include lunch.

Item 1 - Washoe County Proposed Ban on MTBE

Andy Goodrich handed out a copy of the proposed change to Washoe County District Board of health Regulation 040.095 Oxygen Content of Motor Vehicle Fuel. The change was to prohibit MTBE from being used to satisfy oxygen requirements. He explained that California is looking to eliminate the RFG oxygenate requirement or use ethanol to meet it. Washoe County is looking to ban MTBE to keep it from being dumped on Nevada. He mentioned that the statement prohibiting "any other oxygenates that threaten drinking water supplies" would be removed from their proposal. The county will hold hearings on May 11 at 1:30 p.m. at the Washoe County District Health Department and bring the full proposal before the District Board of Health at 1:30 p.m. on May 24. The item has since been tabled to the September meeting of the District Board of Health.

Andy stated that the oxygenate program is working and they can see a quantifiable benefit from it. He said that the emissions gains outweigh the extra fuel used. He also stated that the gains were less each year and he could envision the county eliminating the program in 5-10 years.

Peter Kr. asked if there was a workable escape clause if oxygenate is not available.

Andy said that 040.095 paragraph F gives the Control Officer power to suspend.

Peter Kr. asked if they could better define an emergency fuel interruption.

Jason asked about the progress of the leaking UST's.

Jim S. said that the state is 70-80% compliant to the 1998 deadline.

Peter Kr. said that statewide there are only 40-44 tanks left to replace. He went on to say that if California goes to ethanol they will consume the current and projected ethanol production for the next 4-5 years.

Item 2 - Current Status of Bill Drafts

Peter Kr. said that from the industry level that the propane industry is working on alternative fuels legislation that is currently awaiting comment from the governor's office. The bill is to eliminate the excise tax on alternative fuels, specifically CNG and propane and then give a break to registration fees of alternative fuel vehicles. They will make up the difference, estimated at \$400,000, by applying a \$0.25 increase for registration fees. The tax would come back in six years or if alternative fuels become successful and it is affecting the highway fund. The regulatory and policy side are okay if the funding issue can be worked out. Peter Kr. said that Neena is working on it and questions should be directed to her.

Peter Kr. said that on the petroleum side they are just watching right now and have no legislation proposed. He commented on the Builders bill for a gas tax increase that was in the Reno Gazette Journal. He commented that last time they tied it to the Consumer Price Index and probably would do so this time. He went on to say that the gross margins for wholesale and retail are down to \$0.10. The industry is also concerned about supply and the CARB decertifying dispensing nozzles.

Jim B. mentioned that the SB-432 Committee on Clark County Air Quality was meeting on Monday May 15 in Las Vegas. The deadline for their final report is July (Note: The May 15 meeting was canceled with a new date TBA). They have another meeting scheduled for July 10. The meeting schedule can be found at www.leg.state.nv.us/70th/Interim/Scheduler/.

Jason mentioned that although it wasn't legislation the Vapor/Liquid ratio which is an enforceable part of ASTM D 4814 wasn't currently being enforced but a proposal should come out of the June ASTM meetings. The issue has come up with a few fuel distributors in Clark County.

Andy asked if NDOT would give up the \$0.25 if it isn't approved by the governor.

Peter Kr. didn't think they would without a fight. The state constitution states that all excise taxes go into the highway fund.

Andy said that the WCHD would be supportive of the legislation and asked if they had applied for CMAC funding.

Jim B. said that Neena and he had looked at CMAC and think they should go back to \$1 per car reduction in smog fee that took place a few years ago and try to reinstate it. Adding the \$1 per car back would pay for it and allow money for other items. To do this would require legislation and none is currently being proposed.

Peter Kr. said they will take anything that would cover the cost. He said the CMAC funds stood a minimal chance of passing because they are only granted year by year and would not provide the long term funding needed.

Andy said that the funding is formula based and that there was an excess of funding in Clark and Washoe Counties. The transportation agencies (NDOT) requests the funds and then Clark and Washoe Counties request the funds based on showing an air quality benefit.

Peter Kr. discussed the impact of new federal limits on Sulfur and cautioned against the state overstepping the federal authority and recommended we follow the federal phase-in timeline.

Item 3 - Alternative Fuel Regulations

Jim B. mentioned that the problem in placing restrictions on propane and natural gas as alternative fuels is that "we get what we get" from the pipeline and since vehicles represent such a small part of the market, the suppliers just wouldn't provide higher specification fuel as the cost would not be justified.

Adele distributed a letter requested that the Board of Agriculture include a density requirement in the Biodiesel standard to minimize NOx emissions.

Jim B. recommended that Agriculture include a statement that allows the requirement to be changed if Biodiesel with an additive is able to meet the NOx requirements without meeting the density requirement. (This language was added and is in the proposal.)

Discussion by Jim S., Jim B., Peter Ko., Peter Kr. and Jason centered on the density requirement and that the number being proposed was based on one engine.

Mike Eriksen discussed the proposed propane standards. He said that there probably wasn't a problem with the HD-10 standards but that it was controversial since the reports on emissions were questionable. He is gathering information from the industry to provide to the department to help in setting the standards.

The group agreed that Jason should get more information on what other states are doing and bring back to the committee at the July meeting.

The meeting adjourned at 1:05 p.m. with most everyone scrambling to get some lunch.